

BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION

In Re:	Michael Johnson)	
	Map 98, Control Map 98, Parcel 63.00)	Robertson County
	Farm Property)	
	Tax Year 2007)	

INITIAL DECISION AND ORDER

Statement of the Case

An appeal was filed with the State Board of Equalization on behalf of the taxpayer on August 2, 2007. The Robertson County Assessor of Property ("Assessor") has valued the subject property for tax purposes as follows:

<u>LAND VALUE¹</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$77,700	\$230,000	\$275,500	\$68,875

The undersigned administrative judge conducted a hearing of this matter on December 12, 2007 in Springfield, Tennessee. In attendance at the hearing was the appellant, Michael Johnson, along with Chris Traugher, Assistant Assessor of Property for Robertson County.

Findings of Fact and Conclusions of Law

Subject property is a farm consisting of 78 acres located at 3391 Ridge Road, a location in Cedar Hill, Robertson County, Tennessee.

The taxpayer contends that subject property should be valued at \$70,700. Mr. Johnson stated that he purchased the farm in 1992 for \$40,000. Mr. Johnson states that it is his belief that property values have not gone up to \$1,000 per acre and, therefore, his property is over valued. The taxpayer states that his property "sits ½ off the road; he has no road frontage, no public water and can not build a house on the property". While interestingly enough, Mr. Johnson currently has a house he has built himself and states that he had to get a variance to build it and he also says that if something happened to the current structure he does not believe he would be allowed to rebuild. The home is only 55% complete, but has no carpets, no cabinets; and his walls are only unfinished sheet rock². Mr. Johnson also states that he does not have any inside doors or trim and has only one toilet in the structure and he has no County fire protection. The taxpayer goes on

¹ This property holds a Greenbelt designation therefore:

<u>Land Use</u>	<u>Improvement</u>	<u>Total</u>	<u>Assessed Value</u>
\$41,500	\$50,300	\$91,800	\$22,950

² As evidenced by the property record card, County's exhibit #1, consideration for these issues was granted at the County Board hearing.

to say that his other structures on the property are just as 'rough'. His barn is built out of 66 year old materials; he built his shed out of saw mill material and he only has \$4,961 worth of materials in the garage.³ Mr. Johnson stated that the lumber used to build the structures with came from the property as it is heavily wooded.

The assessor contended that subject property should remain valued at \$128,000. In support of this position, Mr. Traughber relies on the value set by the County Board. Mr. Traughber also noted that the County Board made reductions in its previous values to account for the structural defectiveness and the issues on the topography of the land. Mr. Traughber further stated that with the conditions noted on the structure descriptions, *below average* for most of the factors of the structures demonstrates that the issues enumerated by the taxpayer were recognized and dealt with by the County Board.

The basis of valuation as stated in Tennessee Code Annotated § 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$128,000 based upon the presumption of correctness attaching to the decision of the Robertson County Board of Equalization.

Since the taxpayer is appealing from the determination of the Robertson County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the fair market value of the subject property as of January 1, 2007 constitutes the relevant issue in this appeal. In analyzing the arguments of the appellant the administrative judge finds that Mr. Traughber is correct. In evaluating the exhibits of both the appellant and the County all of the issues raised by Mr. Johnson appear to either have been accepted by the Board and adjustments were made or rejected by the Board with no adjustments made. The evidence submitted by Mr. Johnson is not new nor does it rise to the level of overcoming the presumption of correctness that ordinarily attaches to the decisions of the local County Boards. In this type of an appeal the petitioner must show by a preponderance of the evidence that an allegation is true or that the issue should be resolved in favor of that party. Uniform Rules of Procedure for Hearing Contested Cases. Rule 1360-4-1-.02 (7).

³ The county has a contributory value of \$11,823 for the garage structure.

The best evidence of the present value of a residential property is generally sales of properties comparable to the subject, comparable in the features that are relevant to value. While perfect comparability is not required, relevant differences should be explained and accounted for by reasonable adjustments. If evidence of a sale is presented without the required analysis of comparability, it is difficult or impossible for us to use the sale as an indicator of value. . . . Final Decision and Order at 2. Moreover, the Assessment Appeals Commission has ruled that taxes are irrelevant to the issue of value. See *John C. & Patricia A. Hume*, (Shelby Co., Tax Year 1991).

Respectfully, the administrative judge finds that Mr. Johnson was unable to produce any reliable documentation to support his contention of value; he has not met his burden of proof.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2007:

<u>LAND VALUE</u> ⁴	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$77,700	\$230,000	\$275,500	\$68,875

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal “**must be filed within thirty (30) days from the date the initial decision is sent.**” Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal “**identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order**”; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

⁴ This property holds a Greenbelt designation, therefore:

<u>Land Use</u>	<u>Improvement</u>	<u>Total</u>	<u>Assessed. Value</u>
\$41,500	\$50,300	\$91,800	\$22,950

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 18th day of January, 2008.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Michael W. Johnson
F.E. Head, Assessor of Property